WSM VENTURES CORP.

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

AS AT

MARCH 31, 2022 AND 2021

(Expressed in Canadian Dollars)

NOTICE OF NO AUDITOR REVIEW OF
CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

Under National Instrument 51-102, Part 4, subsection 4.3 (3) (a), if an auditor has not performed a review of the condensed consolidated interim financial statements, they must be accompanied by a notice indicating that an auditor has not reviewed the financial statements.

The accompanying unaudited condensed consolidated interim financial statements of the Company have been prepared by and are the responsibility of the Company's management.

The Company's independent auditor, Manning Elliott LLP, has not performed a review of these financial statements in accordance with standards established by the Chartered Professional Accountants of Canada for a review of interim financial statements by an entity's auditor.

(Expressed in Canadian dollars)

	March 31, 2022	December 31, 2021
	$	$
ASSETS		
Current assets		
Cash	106,983	135,081
Receivables	18	18
	107,001	**135,099**
LIABILITIES AND EQUITY		
Current liabilities		
Accounts payable and accrued liabilities	17,531	18,297
Equity		
Share capital (Note 5)	2,442,656	2,442,656
Contributed surplus	112,956	112,956
Deficit	(2,466,142)	(2,438,810)
	89,470	116,802
	107,001	**135,099**

Nature and continuance of operations (Note 1)

Approved and authorized for issue on behalf of the Board on May 27, 2022:

"*Anthony Alvaro*" — Director

"*Darren Devine*" — Director

(Expressed in Canadian dollars)

	Three months ended March 31, 2022	Three months ended March 31, 2021
	$	$
Expenses		
Professional fees	8,094	6,175
Consulting fees (Note 6)	12,306	12,306
Filing fees	6,909	9,338
Office and miscellaneous	23	26
	(27,332)	(27,845)
Loss and Comprehensive Loss for the Period	**(27,332)**	**(27,845)**
Basic and Diluted Loss Per Common Share	(0.00)	(0.00)
Weighted Average Number of Common Shares Outstanding	67,328,936	67,328,936

WSM VENTURES CORP.
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
(Expressed in Canadian dollars)
(Unaudited)

	Common shares				
	Number of shares	**Amount**	**Contributed Surplus**	**Deficit**	**Total**
		$	**$**	**$**	**$**
Balance, December 31, 2020	**67,328,936**	**2,442,656**	**112,956**	**(2,337,786)**	**217,826**
Loss and comprehensive loss for the year	-	-	-	(101,024)	(101,024)
Balance, December 31, 2021	**67,328,936**	**2,442,656**	**112,956**	**(2,438,810)**	**116,802**
Loss and comprehensive loss for the period	-	-	-	(27,332)	(27,332)
Balance, March 31, 2022	**67,328,936**	**2,442,656**	**112,956**	**(2,466,142)**	**89,470**

The accompanying notes are an integral part of these condensed consolidated interim financial statements.

(Expressed in Canadian dollars)

	Three months ended March 31, 2022	Three months ended March 31, 2021
	$	$
Cash provided by (used in):		
Operating activities		
Net loss for the period	(27,332)	(27,845)
Changes in non-cash working capital balances:		
Change in accounts payable and accrued liabilities	(766)	(3,684)
Net cash used in operating activities	(28,098)	(31,529)
Change in cash during the period	(28,098)	(31,529)
Cash, beginning of period	135,081	245,042
Cash, end of period	**106,983**	**213,513**
Supplemental cash flow disclosures		
Income taxes paid	-	-
Interest paid	-	-

1. NATURE AND CONTINUANCE OF OPERATIONS

WSM Ventures Corp. (the "Company") was incorporated in the Province of British Columbia on May 11, 1981. On April 15, 2020, the Company changed its name from Avalon Blockchain Inc. to WSM Ventures Corp. The head office and records office of the Company is located at 2200 – 885 West Georgia Street, Vancouver, British Columbia, Canada, V6C 3E8. The Company's common shares are listed on the Canadian Securities Exchange ("CSE") under the symbol "WSM.X". The Company has no current business or business assets and is currently in the process of exploring various business opportunities.

These condensed consolidated interim financial statements are prepared on a going concern basis, which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future and that management does not intend to liquidate the Company or to cease trading or has no realistic alternative but to do so. As at March 31, 2021, the Company has accumulated losses since its inception of $2,466,142 (December 31, 2021 - $2,438,810), which has been funded primarily by the issuance of shares and loans from its creditors and related parties. These factors indicate the existence of a material uncertainty that may cast significant doubt on the ability of the Company to continue as a going concern. The Company's ability to continue its operations and to realize its assets at their carrying values is dependent upon obtaining additional financing or maintaining continued support from its shareholders and creditors, identifying and commencing the operations of a suitable business and generating profitable operations in the future. These condensed consolidated interim financial statements do not include any adjustments relating to the recoverability and classification of recorded assets and liabilities that might be necessary should the Company be unable to continue in existence.

Although the Company has been successful in the past in obtaining financing, there can be no assurances that the Company will continue to obtain the additional financial resources necessary and/or achieve profitability or positive cash flows from its future operations. These material uncertainties may cast significant doubt on the Company's ability to continue as a going concern.

In March 2020 the World Health Organization declared coronavirus COVID-19 a global pandemic. This contagious disease outbreak, which has continued to spread, and any related adverse public health developments, has adversely affected workforces, economies, and financial markets globally, potentially leading to an economic downturn. It is not possible for the Company to predict the duration or magnitude of the adverse results of the outbreak and its effects on the Company's business or ability to raise funds. The Company continues to closely evaluate the impact of COVID-19 on its operations.

2. BASIS OF PREPARATION

a) Statement of compliance

These condensed interim consolidated financial statements, including comparatives, have been prepared in accordance with International Accounting Standards ("IAS") 34 "Interim Financial Reporting" as issued by the International Accounting Standards Board ("IASB"). The condensed interim consolidated financial statements were authorized for issue by the Board of Directors on May 27, 2022.

b) Basis of consolidation and presentation

The condensed consolidated interim financial statements have been prepared on a historical cost basis in Canadian dollars, which is the Company's and its subsidiaries' functional currency.

2. BASIS OF PREPARATION (Continued)

b) Basis of consolidation and presentation (continued)

These condensed consolidated interim financial statements incorporate the financial statements of the Company and its controlled subsidiary, 1158716 B.C. Ltd. Control exists when the Company has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities. The condensed consolidated interim financial statements include the accounts of the Company and its direct wholly-owned subsidiaries. All significant intercompany transactions and balances have been eliminated.

c) Basis of measurement

The condensed consolidated interim financial statements have been prepared on a historical cost basis except for certain non-current assets and financial instruments, which are measured at fair value, as explained in the significant accounting policies set out in Note 3e.

3. SIGNIFICANT ACCOUNTING POLICIES

a) Loss per share

Basic loss per share is computed by dividing net earnings available to common shareholders by the weighted average number of common shares outstanding during the period. The Company applies the treasury stock method in calculating diluted loss per share. Diluted loss per share excludes all dilutive potential common shares if their effect is anti-dilutive.

b) Income taxes

Deferred tax assets and liabilities are recognized where the carrying amount of an asset or liability differs from its tax base, except for taxable temporary differences arising on the initial recognition of goodwill and temporary differences arising on the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction affects neither accounting nor taxable profit or loss.

Recognition of deferred tax assets for unused tax losses, tax credits and deductible temporary differences is restricted to those instances where it is probable that future taxable profit will be available against which the deferred tax asset can be utilized. At the end of each reporting period the Company reassesses unrecognized deferred tax assets. The Company recognizes a previously unrecognized deferred tax asset to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

c) Share capital

Proceeds from the exercise of stock options and warrants are recorded as share capital in the amount for which the option or warrant enabled the holder to purchase a share in the Company, in addition to the proportionate amount of reserves originally created at the issuance of the stock options or warrants. Share capital issued for non-monetary consideration is valued at the closing market price at the date of issuance. The proceeds from the issuance of units are allocated between common shares and common share purchase warrants based on the residual value method. Under this method, the proceeds are allocated to common shares based on the fair value of a common share at the announcement date of the unit offering and any residual remaining is allocated to common share purchase warrants.

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

d) Significant accounting estimates and judgments

The preparation of these condensed consolidated interim financial statements requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the condensed consolidated interim financial statements and reported amounts of expenses during the reporting period. Actual outcomes could differ from these estimates. These condensed consolidated interim financial statements include estimates which, by their nature, are uncertain. The impacts of such estimates are pervasive throughout the financial statements and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and future periods if the revision affects both current and future periods. These estimates are based on historical experience, current and future economic conditions and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Significant assumptions about the future and other sources of estimation uncertainty that management has made at the financial position reporting date, that could result in a material adjustment to the carrying amounts of assets and liabilities, in the event that actual results differ from assumptions made, relate to, but are not limited to, the following:

Significant accounting estimates include:

i. The measurement of deferred income tax assets and liabilities.

Significant accounting judgments include:

i. The evaluation of the Company's ability to continue as a going concern.

e) Financial instruments

Financial assets

On initial recognition, financial assets are recognized at fair value and are subsequently classified and measured at: (i) amortized cost; (ii) fair value through other comprehensive income ("FVOCI"); or (iii) fair value through profit or loss ("FVTPL"). The classification of financial assets is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics. A financial asset is measured at fair value net of transaction costs that are directly attributable to its acquisition except for financial assets at FVTPL where transaction costs are expensed. All financial assets not classified and measured at amortized cost or FVOCI are measured at FVTPL. On initial recognition of an equity instrument that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in other comprehensive.

The classification determines the method by which the financial assets are carried on the consolidated statement of financial position subsequent to inception and how changes in value are recorded. Cash is classified as FVTPL. The Company has not classified any assets at amortized cost or FVOCI.

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

e) Financial instruments (continued)

Financial assets (continued)

Impairment

An 'expected credit loss' impairment model applies which requires a loss allowance to be recognized based on expected credit losses. The estimated present value of future cash flows associated with the asset is determined and an impairment loss is recognized for the difference between this amount and the carrying amount as follows: the carrying amount of the asset is reduced to estimated present value of the future cash flows associated with the asset, discounted at the financial asset's original effective interest rate, either directly or through the use of an allowance account and the resulting loss is recognized in profit or loss for the period.

In a subsequent period, if the amount of the impairment loss related to financial assets measured at amortized cost decreases, the previously recognized impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortized cost would have been had the impairment not been recognized.

Financial liabilities

Financial liabilities are designated as either: (i) fair value through profit or loss ("FVTPL"); or (ii) other financial liabilities. All financial liabilities are subsequently measured at amortized cost except for financial liabilities at FVTPL. The classification determines the method by which the financial liabilities are carried on the consolidated statement of financial position subsequent to inception and how changes in value are recorded. Accounts payable are classified as other financial liabilities and measured at amortized cost. The Company has not classified any financial liabilities as FVTPL.

As at March 31, 2022, the Company does not have any derivative financial liabilities.

4. CAPITAL MANAGEMENT

The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company, in order to support the identification and evaluation of a business and continue as a going concern. The Company considers capital to be all accounts in equity. The Company is not subject to any external capital requirements therefore the Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business. Additional funds may be required to finance any business.

5. SHARE CAPITAL

a) Authorized

The Company is authorized to issue an unlimited number of common shares without par value.

b) Escrow shares

As at March 31, 2022 and December 31, 2021: 12,000,000 common shares and 12,000,000 common shares, respectively.

5. SHARE CAPITAL (Continued)

c) Issued and outstanding

As at March 31, 2022 and December 31, 2021: 67,328,936 common shares and 67,328,936 common shares, respectively.

d) Stock options

The Company has adopted an incentive stock option plan, which provides that the Board of Directors of the Company may from time to time, in its discretion, and in accordance with the CSE requirements, grant to directors, officers, employees and technical consultants to the Company, non-transferable stock options to purchase common shares, provided that the number of common shares reserved for issuance will not exceed 10% of the Company's issued and outstanding common shares. The maximum number of options which may be granted to any one optionee within any 12-month period shall be five percent (5%) of the Company's issued and outstanding common shares. Such options will be exercisable for a period of up to 10 years from the date of grant. In connection with the foregoing, the number of common shares reserved for issuance to any one consultant within any 12-month period will not exceed two percent (2%) of the issued and outstanding common shares. Options may be exercised no later than 30 days following cessation of the optionee's position with the Company.

As at March 31, 2022 and December 31, 2021 no stock options were outstanding.

e) Warrants

There was no activity in warrants for the year ended December 31, 2021 nor for the three months ended March 31, 2022.

As at March 31, 2022 and December 31, 2021 no warrants were outstanding.

6. RELATED PARTY TRANSACTIONS AND BALANCES

Key management personnel consist of officers and directors of the Company. During the period ended March 31, 2022, the Company paid management and consulting fees to a company controlled by a current officer totaling $5,250 (2021 - $5,250). There was no other remuneration paid to key management personnel during the three months ended March 31, 2022. As at March 31, 2022, there were no amounts due (December 31, 2021 - $Nil) within accrued liabilities and accounts payable to key management personnel or directors.

7. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

a) Financial instruments

Fair value hierarchy

The following table summarizes the fair value hierarchy under which the Company's financial instruments are valued.

Level 1 - Unadjusted quoted prices in active markets for identical assets or liabilities;
Level 2 - Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly; and
Level 3 - Inputs for the asset or liability that are not based upon observable market data.

Cash is carried at fair value using a level 1 fair value measurement. The carrying value of accounts payable approximate their fair value because of the short-term nature of these instruments.

Fair value estimates of financial instruments are made at a specific point in time, based on relevant information about financial markets and specific financial instruments. As these estimates are subjective in nature, involving uncertainties and matters of significant judgment, they cannot be determined with precision. Changes in assumptions can significantly affect estimated fair values.

b) Financial risk factors

The Company’s risk exposures and the impact on the Company’s financial instruments are summarized below:

Liquidity risk
Liquidity risk is the risk that the Company will not be able to meet its obligations associated with its financial liabilities. The Company’s approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at March 31, 2022, the Company has cash of $106,983 to settle liabilities due within the next year of $ 17,531.

There can be no assurance the Company will be able to obtain required financing in the future on acceptable terms. The Company anticipates it will need additional capital in the future to fund the development or acquisition of a business. The Company has limited financial resources, has no source of operating income and has no assurance that additional funding will be made available. The ability of the Company to arrange additional financing in the future will depend, in part, on the prevailing capital market conditions and the success of any business it develops or acquires.

In recent years, the securities markets have experienced wide fluctuations in price which have not necessarily been related to the operating performance, underlying asset values or prospects of such companies. There can be no assurance that continual fluctuations in price will not occur. Any quoted market for the common shares may be subject to market trends generally, notwithstanding any potential success of the Company in creating revenue, cash flows or earnings.

Credit risk
Credit risk is the risk of potential loss to the Company if the counterparty to a financial instrument fails to meet its contractual obligations. The Company does not hold any liquid financial assets to which credit risk may be attributable.

8. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (Continued)

Market risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates, and commodity and equity prices. The Company does not have a practice of trading derivatives.

Interest rate risk
The Company does not have any financial assets exposed to interest rate risk.

Foreign currency risk
The majority of the Company's business is conducted in Canada and United States in Canadian and United States dollars. As such, the Company is exposed to foreign currency risk in fluctuations between the Canadian dollar and the US dollar. Fluctuations in the exchange rate between the Canadian dollar and the US dollar may have a material adverse effect on the Company's business and financial condition. Fluctuations do not have a significant impact on operating results.

Price risk
The Company is not exposed to any price risk while it is in the stage of identifying and evaluating businesses.